GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3460
ANSWERED ON:20.08.2004
CHEATING OF POOR DEPOSITORS
Bhadana Shri Avtar Singh

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether lakhs of rupees of poor depositors have been siphoned off by Dr.Morepan Laboratories, Solan in connivance with Company Law Board;

(b) if not, whether the decision of Company Law Board is not being implemented by not paying depositors even after maturity; and

(c) the action being taken by the Ministry to enable depositors in getting back their fixed deposits?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b): The Company had defaulted in refunding matured deposits along with interest to the depositors. The company had filed an application under Section 58-A(9) of the Companies Act, 1956 before the Company Law Board (CLB) giving a Scheme for refunding the deposits. In pursuance of this, the Company law Board vide order dated 19-8-2003 directed the Company to make repayment of deposits as per schedule approved by it. The Company has defaulted in implementation of this order of Company Law Board.

(c): Prosecution under section 58-A (10) of the Companies Act,1956 for non-compliance of the Company Law Board`s Order has been filed in the Court of Chief Judicial Magistrate at Solan (Himachal Pradesh) by the Registrar of Companies at Jalandhar.